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PTQ5214

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ACTION AF-01

INFO	LOG-00	AGRE-00	AID-01	CEA-01	CIAE-00	COME-00	CTME-00
	OASY-00	DODE-00	EB-01	EXIM-01	E-00	FRB-01	H-01
	TEDE-00	INR-00	ITC-01	LAB-01	L-01	ADS-00	NSAE-00
	NSCE-00	OMB-01	OPIC-01	PM-00	P-01	SNP-00	SP-00
	STR-01	TRSE-00	USIE-00	PMB-00	PRME-01	DRL-09	G-00

/024W

-----87132E 101642Z /38

R 101317Z NOV 94  
FM AMEMBASSY KIGALI  
TO SECSTATE WASHDC 0415  
INFO RWANDA COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 KIGALI 002143

DEPARTMENT FOR EB, AF/RA, AID/AFR/EA

E.O.12356: DECL: OADR  
TAGS: EAID, EFIN, EAGR, EINV, MOPS, RW  
SUBJECT: TURF WARS IN KIGALI: THE IBRD STRIKES BACK

REF: A) KIGALI 2009 B) KIGALI 2139

1. CONFIDENTIAL -- ENTIRE TEXT.

2. SUMMARY. THE IBRD SCHEDULED YET ANOTHER DEBRIEF FOR  
DONORS AT ITS HEADQUARTERS ON NOVEMBER 9 AND INCLUDED  
BILATERAL DONORS NOT INVITED TO THE EARLIER DEBRIEF AT  
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THE UNDP (REF A). DONORS PRESENT COMMENTED ON

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HUMANITARIAN CONTRIBUTIONS BUT FOR THE MOST PART DUCKED THE ISSUE OF BUDGET SUPPORT. A NUMBER OF PARTICIPANTS EXPRESSED DEEP CONCERN THAT A FAILURE TO PROVIDE RAPID SUPPORT TO THE GOR WILL SIGNAL THE END OF THE CURRENT BROAD BASED GOVERNMENT OF NATIONAL UNITY, AN ANALYSIS WE INCREASINGLY SHARE. THE IBRD AND UNDP BICKERED ON THE FRINGES. END SUMMARY.

3. THE DEBRIEF BY IBRD COUNTRY ECONOMIST DURAN AND IMF MISSION LEADER KIMARO COVERED OLD GROUND (REF A). KIMARO EXPOUNDED AT SOME LENGTH ON THE INFLATIONARY PRESSURES AND THE CONCOMITANT SOCIAL COSTS THAT WOULD FOLLOW WHEN GOR SALARIES ARE EVENTUALLY PAID AND RECONSTRUCTION AND REHABILITATION FUNDS BEGAN FLOWING. HE PREDICTED THAT PENT-UP DEMAND WOULD DISTORT AND DEFLATE THE EXCHANGE RATE.

4. KIMARO DESCRIBED DIVISIONS IN THE GOR POLICY AND POWER STRUCTURES. HE SAID THAT THIS REQUIRED FROM THE IMF CLEAR AND PURPOSEFUL CONTACTS AT MULTIPLE LEVELS, ESPECIALLY ON GOVERNANCE ISSUES WITH ECONOMIC IMPLICATIONS, INCLUDING PROPERTY RESTITUTION AND REFUGEE REPATRIATION. HE CALLED FOR DONOR SOLIDARITY IN DEALING WITH THE GOR AND UNDERLINED THE URGENT NEED FOR BUDGET SUPPORT, INCLUDING PAYMENT OF IFI ARREARAGES THAT WILL TRIGGER ADDITIONAL FLOWS. THE GOR WOULD NEED USD 50 TO 70 MILLION IN THE FIRST HALF OF CALENDAR YEAR 1995 TO REDRESS FINANCIAL IMBALANCES. HE POLLED EACH DONOR ON WHAT MIGHT BE IN STORE. RESPONSES FOLLOW.

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-- GERMANY: NO BUDGET SUPPORT. THE GOG HAS PROVIDED A ONE MILLION DEUTSCHMARK CREDIT TO FUND MINISTRY NEEDS AND COULD CONCEIVABLY SUPPLY MORE.

-- U.S.: LOOKING AT IFI ARREARAGES AND PROGRAMMING USD 600,000 IN GOVERNANCE FUNDS IN SUPPORT OF KEY MINISTRIES.

-- CANADA: DUCKED THE ISSUE AND CITED UNAMIR AND HUMANITARIAN SUPPORT. PROJECTS PROVIDING CD 5 MILLION FOR THE ENERGY (ELECTRICITY) SECTOR AND CD 15 MILLION FOR

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NGO WORK IN RECONSTRUCTION ARE IN THE WORKS.

-- AUSTRIA: ALL HUMANITARIAN. USD 3 MILLION FOR REINTEGRATION OF REFUGEES POSSIBLE.

-- IBRD: HAS DISBURSED A USD 20 MILLION HUMANITARIAN GRANT, MOSTLY TO THE U.N. AGENCIES, ONLY THE SECOND TIME IN IBRD HISTORY THIS HAS BEEN DONE. AN ADDITIONAL USD 40 MILLION EMERGENCY CREDIT WITH BOP SUPPORT IMPLICATIONS UNDER CONSIDERATION BUT CANNOT BE DISBURSED UNTIL FEBRUARY, AT EARLIEST. RESTRUCTURED IBRD PORTFOLIO OF USD 169 MILLION WOULD PRESUMABLY COVER SOME OF THE INVESTMENT BUDGET.

-- U.N. HUMANITARIAN COORDINATOR: ONLY HUMANITARIAN AID.

-- U.K.: MOSTLY HUMANITARIAN. HAS ALREADY DONATED 60,000 POUNDS-STERLING IN VEHICLE AND EQUIPMENT TO HEALTH AND REHAB MINISTRIES AND WOULD PROVIDE AN ADDITIONAL 100,000 L-S FOR GOVERNANCE.

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-- BELGIUM: THE BELGIAN AMBASSADOR DECLAIMED. HE CITED THE REFUGEE ISSUE AND DIVISIONS IN THE GOR AS THE MAIN PROBLEMS, NEWS TO NO ONE. THE GOB HAS SPENT THE EQUIVALENT OF ITS ENTIRE ANNUAL GLOBAL AID BUDGET ON RWANDA IN THE PAST SIX MONTHS. HE HAD NO FINAL INSTRUCTIONS ON POSSIBLE BUDGET SUPPORT, BUT THE COOPERATION MINISTRY WAS LOOKING AT WORKING WITH THE GOR MINISTRIES OF REHABILITATION, AGRICULTURE, JUSTICE AND PUBLIC HEALTH. COUNTERPART FUNDS REMAINED AVAILABLE.

-- UNICEF: THE BENEFACTOR OF USD 10 MILLION IN IBRD GRANT LARGESSE HAS DONATED USD 220,000 TO EIGHT MINISTRIES. FROM THE ADDITIONAL USD 45 MILLION IN ITS BUDGET, UNICEF HAS ORDERED 50 VEHICLES FOR THE GOR AND BEGUN PAYING TEACHERS A ONE-SHOT, ONE-MONTH STIPEND OF USD 30.

-- WFP: STRICTLY HUMANITARIAN. IT WAS PROVIDING FOOD

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FOR WORK TO CIVIL SERVANTS. THE DIRECTOR DIGRESSED WITH SOME PASSION, OBSERVING THAT OF USD 700 MILLION THAT HAD FLOWN THROUGH THE U.N. SYSTEM, THE GOR HAS NOT GOTTEN A PENNY. HE MADE AN UNUSUAL REQUEST FOR 1,500 METRIC TONS OF FOOD PER MONTH TO SUPPLY TO THE RPA. HE OBSERVED THAT

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R 101317Z NOV 94  
FM AMEMBASSY KIGALI  
TO SECSTATE WASHDC 0416  
INFO RWANDA COLLECTIVE

C O N F I D E N T I A L SECTION 02 OF 02 KIGALI 002143

DEPARTMENT FOR EB, AF/RA, AID/AFR/EA

E.O.12356: DECL: OADR

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TAGS: EAID, EFIN, EAGR, EINV, MOPS, RW

SUBJECT: TURF WARS IN KIGALI: THE IBRD STRIKES BACK

RPA TROOPS WHO WERE NOT BEING FED CURRENTLY GUARDED THOUSANDS OF TONS OF FOODSTOCKS, MUCH OF IT TARGETED FOR REFUGEES ACROSS THE BORDER, INCLUDING THE EX-FAR. HE CALLED IT A MORAL ISSUE.

-- E.U.: 150 MILLION ECU IN EMERGENCY AID, OF WHICH 60 MILLION ECU REMAIN. STABEX FUNDS OF 130 MILLION ECU CAN  
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BE USED.

-- FRANCE: NO BOP SUPPORT. NGO'S WOULD CARRY THE HUMANITARIAN LOAD AND THE COOPERATION MINISTRY WILL LOOK AT A RETURN TO TRADITIONAL SECTORS AT SOME FUTURE POINT.

-- SWISS: HUMANITARIAN FOR NOW, WITH DEVELOPMENT AID UNDER CONSIDERATION.

-- UNDP: USD 2 MILLION IN CONSULTANTS AND USD 200,000 FOR CARS AND BASIC OFFICE EQUIPMENT IN FOUR PREFECTURES. OF USD 6.9 MILLION REMAINING IN UNDP BUDGET OVER THE NEXT TWO YEARS, USD 3 MILLION WILL GO FOR REHABILITATION. ADDITIONAL USD 3.9 MILLION STILL TO BEPROGRAMMED. UNDP REP (THE RESREP IS NOT IN TOWN) CITED THE VICIOUS CYCLE OF GOR PENURY AND DONOR PERFORMANCE DEMANDS. THE REPRESENTATIVE MENTIONED THE ROUNDTABLE AGAIN HANDED OUT A TENTATIVE AGENDA, WHICH WE WILL FAX TO THE DEPARTMENT.

-- UNHCR: TOTAL BUDGET WAS USD 21 MILLION FOR LAST HALF OF YEAR INSIDE RWANDA; MUCH LARGER BUDGET FOR REFUGEE-AFFECTED COUNTRIES. UNHCR CALCULATES THAT 400,000 TUTSIS HAVE RETURNED FROM EXILE.

-- BELGIAN COOPERATION: HIS ORATION FOCUSED ON NEED TO DEMOBILIZE AND AVOID THE AID DEPENDENCY SYNDROME OF THE PAST. UNICEF REP INTERRUPTED HOTLY TO SAY THAT WITHOUT IMMEDIATE OUTSIDE HELP, THE GOR WILL FALL, WITH DISASTROUS CONSEQUENCES. THE DONOR COMMUNITY WILL BE RESPONSIBLE.

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5. COMMENT. WE ARE INCREASINGLY CONCERNED THAT THE  
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PROPHETS OF DOOM WILL PROVE RIGHT. RWANDA IS AT AN  
IMPASSE. THE GOR CANNOT GOVERN EFFECTIVELY WITH  
AVAILABLE RESOURCES, AND THE ONLY FORCE CAPABLE OF  
FILLING THE POWER VACUUM IS THE RPA, WITH ALL THAT  
IMPLIES. TWO ACTS OF THE RWANDAN TRAGEDY HAVE PLAYED  
OUT. THE INTERNATIONAL COMMUNITY WATCHED ACT ONE, THE  
GENOCIDE, IN HORROR, THEN RUSHED IN DURING ACT TWO, THE  
EXODUS, TO PREVENT A DISASTER OF POTENTIALLY GREATER  
PROPORTION. ACT THREE WILL EITHER CULMINATE IN REFUGEE  
REPATRIATION AND THE INSEPARABLE ESTABLISHMENT OF  
FUNCTIONING GOVERNMENT OR A RETREAT TO CONFLICT.  
RWANDANS ARE CAPABLE OF WRITING A SCRIPT FOR THE SECOND  
SCENARIO, BUT NOT FOR THE FIRST. IF THE INTERNATIONAL  
COMMUNITY DOES NOT ACT EXPEDITIOUSLY ON THESE RELATED  
FRONTS -- EITHER WITH MUSCLE IN THE CAMPS OR AID FOR THE  
GOVERNMENT -- WE WILL HAVE ENGAGED OURSELVES IN AN  
EXERCISE IN SELF-FULFILLING PROPHECY. END COMMENT.

6. FURTHER COMMENT. WE HOPE THAT THIS DEBRIEF WAS NOT A  
PORTENT OF THE ROUNDTABLE TO COME. THE MEETING MEANDERED  
ON FOR NEARLY THREE HOURS. THE LINE BETWEEN HUMANITARIAN  
AID AND ECONOMIC ASSISTANCE WAS NEVER CLEARLY DRAWN; THE  
AGENDA DRIFTED BETWEEN THE NEED FOR BOP SUPPORT TO  
RINDERPEST. THE UNDP TEAM SHOWED UP FORTY-FIVE MINUTES  
LATE, AND THE IBRD RETALIATED BY LETTING THEM SPEAK LAST,  
WHEN EVERYONE WAS NUMB. SHE OPENED TWO WINDOWS HALFWAY  
THROUGH THE PRESENTATION, DROWNING OUT THE CONCLUSION  
WITH TRAFFIC NOISE.

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